

**FURTHER EDUCATION  
COMMISSIONER ASSESSMENT  
SUMMARY**

Ealing, Hammersmith and West  
London College

JANUARY 2016

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# Assessment

## Background

1. Ealing, Hammersmith & West London College (EHWLC) is a large general further education college currently operating over four sites in West London. The College was created in 2002, following a merger between Ealing Tertiary College and Hammersmith and West London College.
2. The College delivers training to both 16-18 year olds and adults and offered programmes across 14 sector subject areas in 2014-15. The College's Higher Education programme covers five curriculum areas. The College is also one of the largest ESOL providers in England.
3. Following the notification by the Skills Funding Agency that Ealing, Hammersmith and West London College had been graded as Inadequate by Ofsted during the inspection held between 13th and 16th October 2015, the Minister for Skills and Enterprise decided that the FE Commissioner should assess the position of the college in line with the government's intervention policy set out in Rigour and Responsiveness in Skills.
4. The FE Commissioner's report is intended to advise the Minister and the Chief Executives of the funding agencies on;
  - The capacity and capability of the College's leadership and governance to secure rapid and sustained quality improvements for learners within an acceptable timetable
  - Any actions that should be taken to deliver a sustained quality improvements within an agreed timetable (considering the range of interventions set out in Rigour and Responsiveness in Skills) and
  - How and when progress should be monitored and reviewed taking into account the Agency's regular monitoring arrangements

## Assessment Methodology

5. A Deputy FE Commissioner, supported by an FE Adviser, carried out an assessment during the period 8th December to 10th December 2015. They received in advance extensive briefing information provided by the Skills Funding Agency and the Education Funding Agency and reviewed a wide range of College documentation. They interviewed board members, managers and staff, local stakeholders as well as representatives of the SFA, EFA, learners and the trade unions.

## The Role, Composition and Activities of the Board

6. The Board membership has been significantly changed over the past year; consequently only one of the remaining Board members has more than 2 years' service. This does present a challenge to the new board, as the collective memory of past trends is minimal. However, members do now present a much needed range of relevant skills and expertise and their annual skills audits support the focus of the Search and Development Committee. The Board has a good understanding of what it needs to do to improve but has had insufficient time to effect sustained improvements to teaching, learning and assessment and learner outcomes.
7. The skills set of members on the Finance Committee, however, would be worthy of enhancing to provide the support that the College requires currently.

## Clerk to the Corporation

8. The Board has an experienced, independent Clerk, (from September 2014) with a national reputation for excellence in governance. Minutes are comprehensive and are beginning to evidence increased challenge. The Clerk is in the process of implementing a thorough training plan for new members.

## Executive Team

9. The senior team has been subject to significant change over the past two years and only one member has over 18 months service. They face a large change agenda across the whole College and have a multiplicity of plans and strategies to address both the overriding financial issues and to improve the quality of learner experience and teaching and learning. These may be worthy of drawing together into a single plan to provide all with a clear road map for change and to ensure that all plans are congruent.
10. Owing to the urgency of the quality improvement agenda all of the senior team and several interim and middle managers are actively involved in improving the learner experience with high levels of monitoring and micro-management. However, the team are aware of the need to build leadership and management capacity for the future, alongside the rapid improvement agenda. Additional mentoring support for the new senior team members may be beneficial.
11. Staff are positive about the leadership of the College and demonstrate high levels of optimism for the future. The senior team, especially the Chief Executive, has articulated a clear vision which is well understood and staff and managers are very realistic that significant change must now occur. Local stakeholders are similarly positive about the college's future.

## Quality Improvement

12. The College was inspected in October 2015 and was graded as Inadequate for Overall Effectiveness. Outcomes for learners and 16 to 19 study programmes were judged as Inadequate and Effectiveness of leadership and management, Quality of teaching and learning and assessment, Personal Development, behaviour and welfare, Adult Learning Programmes, Apprenticeships, provision for learners with high needs were judged as Requires Improvement.
13. A new cultural change programme 'Maximising Success - The West London College Way' has been introduced which encompasses a comprehensive approach to continuous professional development and sets out priorities and actions for delivering effective, teaching, learning and assessment and overall improved performance.
14. Also in recognition of key weaknesses in learner outcomes, the College has introduced Course Improvement Boards (CIB) into the quality cycle for 2015/16 as a key strategy in providing focused assessment and achievement monitoring, support and intervention at course level. These 6 weekly meetings provide an opportunity to scrutinise individual learner performance; focusing on assessment and achievement tracking.
15. The College has produced a comprehensive Post Inspection Action Plan which reflects both the Self-Assessment report 2014/15 and the inspection feedback. It is monitored through the Senior Leadership team meetings and the Quality and Curriculum Committee of the Corporation and reported to the whole Corporation. The Plan outlines the key priorities, overarching targets, actions, KPIs and monitoring arrangements. Whilst the plan is not yet RAG rated, there is measurable evidence of progress with completion deadlines achieved. Accountabilities are clear.
16. There has also been a marked increase in the rigour applied to performance management. Staff describe honest and effective 1-1 meetings with their line managers and confirm that they are aware of their targets for 2015/16. This includes all senior and middle managers who also have clear objectives.
17. Current levels of learner participation in formal surveys remain low but there is evidence of an increased responsiveness to learner feedback. There is an effective system of class representatives but a minority of learners still express a desire to be more regularly consulted about their course experience.
18. The overall College success rate currently stands at 77.4% (NA 83.6%), affected primarily by the decline in achievement rates for those aged 16-18. Success rates for 16-18 have declined from 75.3% to 67.5%, (NA 80.1%) and achievement from 84.1% to 77.9 (88.1% NA). A Level success rates in particular have declined over the past few years and the majority are significantly below national averages Apprenticeships, however, have success rates above the national average for timely completions, although this is largely due to the performance of the college's subcontractor. Internal Provision has performed significantly worse than the subcontracting provision.

# Finance

19. The College has recorded significant deficit budgets over the past five years which has resulted in significant reductions in its cash balances as these have funded the deficit position. The main underlying reasons for the College's financial position were excessive staff costs and low average class sizes, neither of which had been addressed prior to the arrival of the present Principal. The financial health of the College has thus been inadequate for a number of years due mainly to its poor operating position and a poor current ratio.
20. In line with the requirements of its Notice of Concern, the College has produced a financial recovery plan which sets out the strategy to improve its financial position. The plan has recently been revisited as many of the proposed actions had been delivered and, as a result of the emerging financial position for 2015/16 and beyond, new actions and steps have been developed to take the forward. The underpinning objectives of the plan are to reduce the deficit through further staffing reductions, realignment of the curriculum to better meet the local needs, refocusing growth in Apprenticeships, through acquisition of private training providers and the sale of surplus estate to realise additional funds.
21. As the revised financial plan was being developed, the new Executive Director for Finance and Shared Services joined the College. Since her appointment and as enrolment has become more confirmed throughout late September and early October it has become apparent that 16-18 full time enrolment is significantly short of target which will have a major impact on the bottom line in 2016/17.
22. In addition, the College has identified a potential underachievement of ASB funding in 2015/16 through lower levels of in college delivery. As a result, additional subcontracting is planned to be undertaken which will place additional pressure on the need to reduce in year costs to contain the potential deficit for 2015/16.
23. The impact of this significant further reduction in EFA income and the impact on the College cost base is currently being modelled with the plan to provide a robust reforecast for 2015/16 and an initial draft budget for 2016/17 in early 2016. This will then inform the curriculum planning process which will commence in early January 2016, through which the majority of savings will emerge as the College redefines its curriculum offer, endeavours to drive up class size, staff utilisation and embraces study programme delivery.
24. The College is also undertaking detailed workforce review processes across all business support areas to identify savings and this will contribute in part to the in year savings planned for 2015/16 and will have a full year impact in 2016/17.
25. As part of the preparation for 2016/17, the College is in collective bargaining with unions to change all current staff contracts to increase working hours, increase the maximum contact time for teaching staff to 900 hours, increase flexibility in working days and across all sites and reduce the level of teaching annual leave.

26. Within the plan financial stability would be addressed through implementation of the following actions:

- Improving income generation and maximising funding opportunities
- Reducing payments to third parties for educational delivery
- Reducing staff costs
- Setting and delivering challenging non-staff budget targets
- Creating and resourcing the employer-engagement team

27. The current plan does not easily map back to the financial plan due to the lack of detail around targeted savings or costs for each action to provide assurance that the proposed actions will deliver the agreed financial plan submitted to the SFA.

28. As part of the College financial recovery it has embarked on an estates rationalisation project to reduce the number of sites the College occupies, bringing to together curriculum to improve efficiency and to release cash to fund much needed developments at the remaining sites.

29. Proposals for the development of the Hammersmith site are in the early stages of development with the College tendering for project management support to develop the model for a joint venture partnership with a developer to deliver a new college building on a significantly smaller footprint and development of the remainder of the site for mixed commercial, retail and housing.

## Financial Management and Controls

30. The College have experienced some issues with its control processes, which have been identified by Internal Audit. The Annual Internal Audit Report has been qualified for the last three years. The Internal Audit annual report for 2014/15 comments:

*'Broader financial management and financial governance have been particularly deep rooted issues, which has required the new Chief Executive and the Board to particularly consciously work to change the profile and capabilities that exist in the College gradually over a period of time. And there is a clear recognition that this journey is not finished.'*

31. The report also concludes that the College are taking steps to address the issues raised and that the auditors do not believe there is a *'systemic problem in the College's control environment'*. The new Executive Director Finance and Shared Services is introducing more rigorous monitoring of the progress on addressing the controls issues raised by internal Audit and is strengthening both MIS and Finance.

# Conclusions

32. The College has a very new senior team and Board of Governors. The longest serving member of the senior team is two years and only one member of the Board has more than two years' service. The Chief Executive (appointed July 2014) has led the transformation of the operation of the College during 14/15 but without any positive impact feeding through to 14/15 outcomes. In fact the rate of decline increased between 13/14 and 14/15.
33. The leadership of the College recognises this 3 year trend of very poor learner outcomes and has ensured that the approach to quality improvement is radically improved. However, it is too soon to judge whether the changes will have a significant impact on 15/16 outcomes and there are risks associated with potential ongoing workforce reform disturbances. However, the majority of staff and all Board members own the urgent need for a rapid and sustained pace of improvement. The College is also re-building its external interface.
34. Clearly there has been significant and much needed focus on the finances of the College over the last 15 months. The strategy has quite rightly been to remove costs (mainly staffing) and rationalise the sites to both reduce costs and provide much needed injections of cash. As a result, the operating out turns are beginning to turn around but there is still much to do as income levels continue to fall steeply. The recent Ofsted Grade 4 may also impact on some of the College's plans to grow provision for Apprenticeships through acquisition of private training providers.
35. However, the distractions of financial recovery and visionary estates regeneration must not over dominate the senior team and the Corporation's focus. The quality improvement agenda is urgent.



# Recommendations

The College will be expected to evidence demonstrable in-year quality and financial improvements at the monthly case conferences. The FE Commissioner's team should return to carry out a stocktake in March/April 2016 to ensure that measurable progress is being made and reserves the option to re-consider Administered College Status at this stage, if progress is insufficient.

The College should also:

- Increase the pace of quality improvement and the Corporation should ensure that priorities are not deflected towards new ventures until learner outcomes are significantly improved.
- Implement a more rapid programme of development (by end of February 2016) for all new governors to include early access to the College's operations (e.g. involvement in learning walks, link governor arrangements, meeting with learner focus groups ahead of meetings).
- Increase the frequency of both the Quality and Curriculum and Finance and General Purposes Committee meetings whilst the Ofsted judgement remains inadequate and financial recovery remains of significant concern.
- Strengthen the F&GP committee with additional financial expertise, ideally from the FE sector.
- Offer mentoring support to all new managers, including the senior team and prioritising the on-going development of middle managers.
- Ensure that the back to basics focus also has the capacity to grow confident and capable professionals for future years.
- Re-energise the learner voice activities to increase participation and facilitate a rapid response to learner feedback.
- Appoint a second Senior Postholder.
- Bring together the current range of action plans and strategies together into a single college recovery plan (by end of January 2016) which addresses both the financial and quality recovery and provides a single integrated strategy for moving the college forward and which demonstrates that the plethora of actions, strategies etc. will deliver integrated change.
- As part of this plan, the Financial Recovery Plan actions need to be costed where appropriate and evidence provided of the impact of the actions in terms of savings in 2015/16 and 2016/17 to ensure the plan will deliver the agreed financial plan submitted to the SFA or the revised plan as it emerges.

- The Executive Director of Finance needs, as a matter of urgency, to revisit the year end forecast out turn for 2015/16.
- From this reforecasting exercise the impact on 2016/17 needs to be modelled along with the impact of the fall in EFA funding etc. to ensure that sufficient action is taken in 2015/16 to reduce cost levels down to ensure a surplus and cash generative position in 2016/17.
- Undertake appropriate training of Corporation members, in order to actively engage in the west London Area Review due to commence in March 2016.
- The FE Commissioner team to revisit the college in March / April 2016 to monitor the progress made against the implementation and delivery of the required improvements.



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